

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
FEBRUARY 19, 2015
HUDSON ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:40 A.M.

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President, John Dailey called the meeting to order at 9:40 A.M. The following roll call was taken:

Richard C. Barlotta, PA	Present
Jorge A. Caballero, CPA	Excused
John F. Dailey, Jr., CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
Dennis C. Meyerson, PA	Present
David J. Milkosky, CPA	Excused
Harold Model, CPA	Present
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present

Also present at the meeting were Khaled Madin, Acting Executive Director; Barbara Lopez, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Ralph Thomas, Executive Director, NJSCPA; Mike Polito, Past President, NJSCPA, Jeff Kaszerman, Government Relations, NJSCPA; David Mest, Seton Hall University; Janice Amatucci, NJSCPA; Ron West Fairleigh Dickerson University; James Carroll, Accounting Educators and David Plaskow, Editor, NJSCPA

II Minutes of the Meeting of January 15, 2015

On a motion made by Jorge Caballero, seconded by Dennis Meyerson, the Board voted to approve the January 15, 2015 Public Session minutes with corrections. The vote of the Board was seven in favor with Ainsley Reynolds abstaining.

III President's Remarks

Board President Dailey had no report for the Board.

IV Acting Executive Director's Remarks

Acting Executive Director Madin had no report for the Board.

V Legislative Matters - Rachel Glasgow, Regulatory Analyst - 10:00 A.M.

A Proposal Number PRN 2014-177

- 1 Ralph Thomas, Executive Director, NJCPA
- 2 Mark Holtzman, Seton Hall University
- 3 James J. Carroll, CPA, Georgian Court University
- 4 Ken Heaslip, CPA, Professor
- 5 Sungsoo Kim, Ph.D., Rutgers University

B Adopted Rule: N.J.A.C. 13:29-1A.5

Regulatory Analyst Rachel Glasgow provided a report to all the comments received regarding the proposed regulations. She informed the Board that the proposed rules must be signed October 20, 2015 and transmitted to the Office of Administrative law by so that the rules are effective by July 1, 2017.

VI New Business

A Sridhar Vasudevan

Mr. Vasudevan is a chartered accountant. He was previously informed by Compliance Services that he his 120 credits were acceptable to sit for the CPA exam. Mr. Vasudevan needs 25 accounting credits to satisfy the 150 hour rule.

The Chair directed that this matter be tabled until the Education Committee has received his file from NASBA and are able to review it. The Committee is requesting that a course history, transcripts and work experience be forwarded for review. DAG Palan informed the Committee that Acting Executive Madin and herself, be copies on all discussion emails on this matter.

VII Request for CPE Waiver

A Herbert S. McMullen, III

Correspondence was received from Mr. McMullen, wherein he is requesting a waiver of 60 CPE credits in didactic learning.

On a motion made by Richard Barlotta, seconded by Daniel Geltrude, the Board voted to inform Mr. McMullen that he needs to obtain 48 credits within 120 days. No fine will be issued and he may not double dip. The vote of the Board was unanimous.

VIII Committee Reports

A CPA Examination Committee

Harold Model had no report for the Board.

B Ethics Committee

No report was provided.

C CPE Committee

Had no report for the Board.

D RMA Committee

John Dailey had no report for the Board.

E Peer Review Oversight Committee

Sara DeSmith informed the Board of the Committee meeting held on January 15, 2015. At that meeting, Committee member Duboff reported on his observations of the NJCPA's Peer Review meeting on November 10-11. The AICPA has issued a favorable report on the Society's PR program. Based on that report and Mr. Duboff's observations of the Society's processes, the Committee expects to recommend that the NJCPA continue as a sponsoring organization for Peer Review in New Jersey. Mr. DuBoff also informed Ms. DeSmith that he would be attending another meeting on March 15, 2015. He has attended approximately three meeting to date.

Ms. DeSmith also reported that the Committee had received information on Employee Benefit Plan audits domiciled in New Jersey. This information was provided to Acting Executive Director Madin and Brianne from the Board staff to see how it may used in audit compliance.

Ms. DeSmith informed the Board in reference to monitoring, there have been five Peer Review reports that were recalled between August and November of 2014 regarding issues with employee benefit plan audits. These firms were advised to have replacement reviews completed within 90 days. The staff is monitoring these matters.

F Education Committee

Ainsley Reynolds had no report for the Board.

G Reciprocity Committee

Michael Runge had no report for the Board.

H Nominating Committee

Dennis Meyerson had no report for the Board.

I Statute/Rules/Regulations Committee

Richard Barlotta informed the Board that the Committee is preparing to meet sometime in May 2015.

J Monitoring Profession Committee

David Milkosky informed the Board that on January 30, 2015, he attended a joint Committee meeting with Amy Towngate of NASBA along with Board President Dailey and Acting Executive Director Madin. A small webcast was hosted to view management of data base. A demo on how to use for CPE audits was provided and very helpful. The entire process would be done over the email system. Individuals not compliant, will raise a flag. Mr. Milkosky believes that this system will free up the staff to work on other matters.

Mr. Milkosky also informed the Board that NASBA is trying to have all vendors of CPE, enter the info on the database. This system will save a lot of the time, the cost of this service is unknown at this time.

Mr. Milkosky informed the Board that he has some thoughts on how to select the CPAs for the audit. He will provide a report at the next Board meeting. Mr. Milkosky reported to the Board that NASBA would contact the CPA and inform them that they have been audited and they are to scan their copies of CPE credits and forward them to NASBA.

IX Public Comments

Ralph Albert Thomas, CEO & Executive Director of the New Jersey Society of CPAs (NJCPA), informed the Board that unfortunately, both Jeff Kaszerman and himself would have to leave the public session by 10:30 am to travel to Washington, DC for the annual Chamber Walk to Washington, DC Train Ride. Thus he would be very brief with his comments. As noted in previous comments, the following are still important dates for the Society:

- April 23rd, 2015 –NJCPA Annual Scholarship Ceremony at the Renaissance Hotel in Woodbridge, NJ.
- June 10th-12th, 2015- NJCPA Annual Convention and Expo at the Borgata in Atlantic City, NJ.

We hope members of the Board will attend this year's scholarship ceremony as the Society will be awarding close to \$550,000 in scholarships to approximately 100 high school seniors and college juniors and above. The amount being

awarded this year, an all time high for the Society, is more than what the AICPA awards annually.

Mr. Thomas updated members of the Board on the following NJCPA activities:

- The Society received a letter from the AICPA recently, approving the Society's Plan of Administration to be an Administrating Entity for Peer Review. A copy of that letter will be forwarded to the State Board Acting Executive Director and the Chair of the Peer Review Committee.
- The Society issued its formal comment letter on the proposed regulations that were published in the October New Jersey Register. As previously discussed, the Society believes the Board should hold off making a change to eliminating the 60 hour self-study maximum.
- The Society will be working collaboratively with the AICPA to review the Accountancy regulations scheduled to sunset the end of 2017. We will be very happy to share the results of our work, and collaboratively work with the Board in its review of the regulations.

On a motion made by Sara DeSmith, seconded by Richard Barlotta, the Board voted to entered temporarily inform Executive Session at 10:15 A.M. The vote of the Board was unanimous.

On a motion made by Ainsley Reynolds, seconded by Richard Barlotta, the Board voted to adjourn the Public Session at 1:35 P.M. to discuss Licensees that answered "Yes" to the Crime Question on the Renewal Form, five Old Business matters, one Request for Reinstatement, two requests for Medical Waivers, PCAOB reports and one Consumer Complaint. The vote of the Board was unanimous.

Respectfully submitted,

Khaled Madin
Acting Executive Director